

# The Saturday Review Financial Supplement

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## The Outlook

### BETTER EXPORTS

Figures of overseas trade were never more closely scanned; human beings cannot exist without hope or at least without the hope of hope. The exports of British manufactured goods were decidedly better in January than in December; the value was 51.8 millions, an increase of 4.46 millions. When one comes to compare January of this year with the corresponding month a year ago, the figures at first sight look very depressing. There was a decline of 27.9 millions in the value of British manufactured goods sold overseas. But when one remembers the average decline in wholesale prices of one-third in the same twelve months, the totals of trade take an appearance rather less alarming. There are in detail features to the good and bad. Perhaps the most striking is the fall in the "balance of trade" to under 5 millions against 16 millions in November and December.

### TEXTILES AND METALS.

Woollen and worsted goods are beginning to show signs of thaw, and the exports of linen piece goods in quantity were distinctly agreeable last month (7.8 million square yards against 5.4 millions in December and 5.6 millions in November). In exports of iron and steel and "manufactures thereof" there was an advance in January to 253,000 tons as compared with 205,000 in December and 194,000 in November. Pig iron shipments nearly doubled and there were much increased quantities of galvanized sheets, tinplates, and railway material. This heavy group is of so much importance as a trade barometer that it cannot be watched too closely. It suffered more than any class of exports after prolonged coal stoppage in the spring. Another favourable sign is the advance in exports of machinery from 36,731 tons in December to 39,762 tons in January at an increased value per ton.

### THE INVESTMENT MARKET.

Dramatic rises in all gilt-edged stocks stand out as the principal features. The unexpected suspension of the issue of Treasury Bonds at 99 led to the prompt and correct assumption that the Bank Rate would be lowered, and contributed more than anything else to the extraordinary vitality of the gilt-edged market. Deposit money which had been hesitating before seeking Stock Exchange channels for investment, became diverted into trustee and similar stocks at a rapid pace. Very substantial buying supplemented ordinary investment business. The War Loan reached its issue price of 95, the Funding Loan at 80 is up to its original quotation, and the premiums on scrip stocks advanced materially. Remarkable avidity for new issues led to the Siamese 7 per cent. subscription lists being open for a quarter of an hour only. The market for British Government, Corporation, Colonial and Home Railway pre-ordi-

nary stocks is in a buoyant condition, the only drawback to activity of business being the scarcity of floating supplies. India Government stocks tarried behind the rest. In the foreign market, the new Seine 7 per cent. Bonds, which opened at  $\frac{1}{2}$  discount, soared to 3 premium in the course of a couple of days.

### RAILWAY STOCKS.

The Home Railway market is one of the few which is not popular, investors continuing to shun the stocks, owing to the labour outlook and to the cautious speeches at various railway meetings. The Ordinary and Deferred stocks of the principal lines can be bought to pay 8 to 10 per cent. on the money. Mexican Railways gave way, on disappointment felt with the answer of Mr. Harmsworth in the House of Commons to the effect that British recognition of Mexico is still delayed, the market inferring that the Government does not wish to risk what friction might be aroused between this country and the United States if the former granted recognition to Mexico before America had done so. Argentine rails are noticeable chiefly for the way in which the Debenture and Preference stocks are advancing. Banking shares are beginning to improve, owing to the strength of the Consol market, but the insurance group still remains depressed.

### MONEY AND EXCHANGES

The demand for the new 5 per cent. Treasury Bonds, 1927, which began on Thursday last week, reached such a point that at the close of business on Tuesday the issue was suspended. This action by the Government was followed by the Bank reducing its rate from 5 to  $4\frac{1}{2}$  per cent. on Thursday. The market had not really felt confident that this course would be taken—for the fall in the discount rate was due chiefly to the shortage of bills—but the decision was regarded as wise though belated. No further reduction is generally anticipated until after the end of the financial year, and the present position of the National Accounts seems to show that, unless a new long-dated Government loan is made, the policy of allowing Treasury bills to run off will not prove compatible with the wiping-off of Ways and Means Advances by 31st March. The reduction in bankers' deposit rates may perhaps reduce the present surfeit of money available in the market, and thus help to re-establish a more normal relationship between loan and discount rates, but in the absence of a trade revival this is not generally expected. New York has again been the centre of interest in the Exchange market, and though the expected reaction in the rate took place the price is not materially lower than last week.

### THE GOVERNMENT ACCOUNTS

Revenue again came in well and there was a surplus of £19 millions on the week. Of the total revenue of over £35 millions Income Tax contributed £21½ millions, Customs and Excise £4,300,000 and Miscellaneous Special Receipts only £5 millions. It is interesting to note that the Post Office, which provided £1¼ millions in the week, shows an increase to date of just under £5½ millions compared with the corresponding period of last year. Sales of Treasury Bonds amounted to over £4 millions, the floating debt being reduced on the week by £23½ millions.

## FIGURES AND PRICES

## PAPER MONEY (in millions).

	Latest Note Issue.	Stock of Gold.	Ratio Gold to Notes.	Previous Note Issue.	Note Issue Jan. 31, 1921.
<b>European Countries</b>					
Austria	Kr. 174,114	?	—	180,200	34,526
Belgium	Fr. 6,359	267	4	6,302	6,232
Britain (B. of E.)	£ 102	157	38	107	109
Britain (State)	£ 302			325	342
Bulgaria	Leva 3,592	63+	1+	3,194	3,275
Czecho-Slov.	Kr. 11,048	1,341+	12+	11,471	10,888
Denmark	Kr. 446	228	51	408	552
Estonia	Mk. 350	343+	98+	250	—
Finland	Mk. 1,356	42	3	1,356	1,349
France	Fr. 36,704	5,524	15	36,607	38,205
Germany	Mk. 115,376	995	—	112,504	66,621
Greece	Dr. 2,121	57	2	2,130	1,505
Holland	Fl. 1,057	606	57	1,018	1,074
Hungary	Kr. 25,145	?	—	25,175	15,206
Italy (Bk.)	Lire 13,273	1,500	11+	13,744	15,279
Jugo-Slavia	Dnrs 4,593	74	1	4,642	—
Norway	Kr. 378	147	39	375	432
Poland	Mk. 229,537	25	—	207,029	55,080
Portugal	Esc. 722	9	1	705	618
Roumania	Lei 13,709	4,582	33	13,723	9,579
Spain	Pes. 4,225	2,516	59	4,201	4,299
Sweden	Kr. 586	274	48	526	673
Switzerland	Fr. 890	550	64	873	939
<b>Other Countries</b>					
Australia	£ 58	24	40	58	59
Canada (Bk.)	\$ 182	165	36	194	206
Canada (State)	\$ 269			269	294
Egypt	£E 35	3	8	36	36
India	Rs. 1,744	24	13	1,728	1,634
Japan	Yen 1,377	1,291	33	1,233	1,217
New Zealand	£ 8	8+	100+	8	8
U.S. Fed. Res.	\$ 2,178	2,911	133	2,184	3,105

†Total cash.

## GOVERNMENT DEBT (in thousands)

	Feb. 16, '22	Feb. 4, '22	Feb. 12, '21.
Total deadweight	7,694,503	7,713,635	7,603,827
Owed abroad	1,085,806	1,085,806	1,137,343
Treasury Bills	990,176	1,012,096	1,127,674
Bank of England Advances	8,000	17,750	29,750
Departmental do.	144,115	135,765	201,472

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched 8,033 millions. On March 31 last it was 7,574 millions. Of the increase shown since then 102 millions represent a nominal addition, due to a conversion scheme.

## GOVERNMENT ACCOUNTS (in thousands)

	Feb. 11, '22	Feb. 4, '22	Feb. 12, '21.
Total Revenue from Ap. 1	854,567	819,272	1,094,109
Expenditure	889,056	872,893	964,172
Surplus or Deficit	—34,489	—53,621	+129,937
Customs and Excise	281,521	277,180	285,471
Income and Super Tax	258,297	236,797	248,864
Stamps	13,937	13,445	21,990
Excess Profits Duties	29,714	29,714	186,255
Post Office	46,750	45,250	41,550
Miscellaneous—Special	123,855	118,914	224,975

## BANK OF ENGLAND RETURNS (in thousands)

	Feb. 15, '22	Feb. 8, '22	Feb. 16, '21.
Public Deposits	14,912	14,721	15,563
Other	137,462	154,414	114,042
Total	152,374	169,135	129,005
Government Securities	64,426	82,224	43,512
Other	80,506	80,425	85,201
Total	144,992	162,649	128,713
Circulation	121,752	122,666	127,810
Do. less notes in currency res.	102,302	103,216	106,360
Coin and Bullion	128,762	128,748	128,306
Reserve	25,460	24,531	18,946
Proportion	16.7%	14.5%	14%

## CURRENCY NOTES (in thousands)

	Feb. 15, '22	Feb. 8, '22	Feb. 16, '21.
Total outstanding	302,402	304,162	337,865
Called in but not canceld.	1,687	1,694	2,368
Gold backing	28,500	28,500	28,500
B. of E. note, backing	19,450	19,450	19,450
Total fiduciary issue	252,765	254,518	287,547

NOTE.—The maximum fiduciary issue for 1921 has been officially "fixed" at £317,555,200.

## BANKERS CLEARING RETURNS (in thousands)

	Feb. 15, '22.	Feb. 8, '22.	Feb. 16, '21.
Town	687,269	613,882	552,900
Metropolitan	30,835	34,076	37,144
Country	53,747	63,440	65,295
Total	771,851	711,407	655,339
Year to date	5,412,539	4,640,688	5,225,230

## LONDON CLEARING BANK FIGURES (in thousands)

	Jan., '22.	Dec., '21.	Apr., '21.
Coin, notes, balances with Bank of England, etc.	212,722	229,789	204,983
Deposits	1,872,230	1,860,393	1,751,719
Acceptances	64,085	65,790	63,585
Discounts	442,752	427,689	278,302
Investments	349,830	334,501	322,784
Advances	770,144	780,428	869,901

## MONEY RATES

	Feb. 16, '22.	Feb. 9, '22.	Feb. 16, '21.
Bank Rate	4½	5	7
Do. Federal Reserve N.Y.	4½	4½	7
3 Months' Bank Bills	3	3½	6½
6 Months' Bank Bills	3	3½	6½
Weekly Loans	2½-3	3½	5½

## FOREIGN EXCHANGES (telegraphic transfers)

	Feb. 16, '22.	Feb. 9, '22.	Feb. 16, '21.
New York, \$ to £	4.36	4.37½	3.90½
Do., 1 month forward	4.36	4.37½	—
Montreal, \$ to £	4.53	4.57	4.40
Mexico, d. to \$	27d.	27d.	34½d.
B. Aires, d. to \$	45½d.	45½d.	49½d.
Rio de Jan., d. to milrs.	7½d.	7½d.	9½d.
Valparaiso, \$ to £	42.80	43.80	—
Montevideo, d. to \$	44½d.	42½d.	48d.
Lima, per Peru £	20% prem.	17% prem.	—
Paris, frs. to £	50.35	50.60	53.35
Do., 1 month forward	50.35	50.60	—
Berlin, marks to £	872	842	230½
Brussels, frs. to £	52.85	53.00	51.35
Amsterdam, fl. to £	11.68	11.70	11.34½
Switzerland, frs. to £	22.35	22.50	23.57½
Stockholm, kr. to £	16.62	16.74	17.45
Christiania, kr. to £	25.80	26.35	22.39½
Copenhagen, kr. to £	21.00	21.25	21.36½
Helsingfors, mks. to £	217	220	118½
Italy, lire to £	89½	88½	106½
Madrid, pesetas to £	27.00	27.50	27.67½
Greece, drachma to £	96½	96½	53.25
Lisbon, escudo d. to £	4d.	4½d.	6½d.
Vienna, kr. to £	14,000	12,750	1,650
Prague, kr. to £	230	228	297½
Budapest, kr. to £	2,800	2,750	—
Bucharest, lei to £	550-580	550-600	277½
Belgrade, dinars to £	325	325	—
Sofia, leva to £	625	630	—
Warsaw, marks to £	15,250	14,000	2,875
Constantinople, piastres to £	640	630	—
Alexandria, piastres to £	97½	97½	97½
Bombay, d. to rupee	15½d.	15½d.	16½d.
Calcutta, d. to rupee	32d.	29½d.	29½d.
Hongkong, d. to rupee	40d.	40d.	39½d.
Shanghai, d. to tael	27½d.	27½d.	27½d.
Singapore, d. to \$	22½d.	25½d.	29½d.
Yokohama, d. to yen	—	—	—

## UNEMPLOYMENT

	Feb. 7, 1922.	Jan. 31, 1922.	June 24, 1921.	Jan. 28, 1921.
Men	1,446,974	1,456,000	1,549,307	685,218
Women	332,204	333,100	477,627	277,759
Juveniles	112,951	114,600	150,965	102,343
Total	1,892,129	1,904,300	2,177,899	1,065,320
Number of men on special relief work	—	—	124,061	—

## COAL OUTPUT

Week ending:	Feb. 4, 1922.	Jan. 28, 1922.	Jan. 21, 1922.	Jan. 29, 1921.
	tons.	tons.	tons.	tons.
	4,803,100	4,738,700	4,560,500	4,606,700
	22,495,400	17,892,300	12,953,600	18,540,500

## IRON AND STEEL OUTPUT

	1921.	1921.	1921.	1920.
	Dec.	Nov.	Oct.	Dec.
Pig Iron	275,000	271,800	235,500	682,500
Yr. to date	2,611,000	2,336,400	2,084,800	8,007,900
Steel	381,000	442,800	405,400	746,800
Yr. to date	3,624,800	3,243,800	2,801,000	9,056,800

## PRICES OF COMMODITIES

## METALS, MINERALS, ETC.

	Feb. 16, '21.	Feb. 9, '22.	Feb. 16, '21.
	95s. 7d.	95s. 1d.	104s. 7d.
Gold, per fine oz. ....	33½d.	34½d.	34d.
Silver, per oz. ....			
Iron, Scotch pig No. 1			
per ton	£4.16.0	£5.0.0	£10.0.0
Steel rails, heavy	£9.5.0	£9.5.0	£21.0.0
Copper, Standard	£60.10.0	£61.7.6	£72.7.6
Tin, Straits	£149.0.0	£154.5.0	£163.5.0
Lead, soft foreign	£20.10.0	£21.0.0	£20.15.0
Spelter	£24.0.0	£24.2.6	£24.15.0
Coal, best Admiralty	25s. 0d.	25s. 0d.	59s. 0d.

## CHEMICALS AND OILS

Nitrate of Soda, per ton	£16.0.0	£16.0.0	£22.10.0
Indigo, Bengal per lb.	11s. 6d.	11s. 6d.	11s. 0d.
Linseed Oil, spot per ton	£39.10.0	£37.10.0	£33.10.0
Linseed, La Plata ton	£21.10.0	£20.0.0	£17.0.0
Palm Oil, Benin spot ton	£32.0.0	£32.5.0	£36.0.0
Petroleum, w. white gal.	1s. 5d.	1s. 5d.	2s. 4½d.

## FOOD

Wheat, English Gaz. Ave.			
per 480 lbs.	46s. 5d.	45s. 10d.	81s. 2d.
Wheat, No. 2 Red Winter			
N.Y. per bush.	150½ cents.	141 cents.	201½ cents.

## TEXTILES ETC.

Cotton, fully middling,			
American per lb.	10.56d.	9.61d.	9.27d.
Cotton, Egyptian, FGF.			
Sakel per lb.	17.75d.	15.50d.	16.50d.
Hemp, N.Z. spot, per ton	£35.10.0	£35.10.0	£50.0.0
Jute, first marks	£24.0.0	£26.0.0	£35.0.0
Wool, Australian, med.			
greasy per lb.	1s. 9d.	1s. 9d.	2s. 4d.
Leather, sole bends	2s. 5d.	2s. 5d.	2s. 9d.
Rubber, Std. Crepe, lb.	8½d.	8½d.	1s. 2½d.

## OVERSEAS TRADE (in thousands)

	Jan., 1922.	Jan., 1921.	%	1921.	1920.
Imports	76,488	117,041	-34	1,086,687	1,932,649
Exports	63,147	92,756	-31	703,196	1,334,469
Re-exports	8,459	9,955	-15	107,052	222,753
Balance of Imports	4,882	14,330	-65	276,439	375,427
Export cotton goods	16,813	23,973	-29	178,710	401,420
Expt. woollen goods	5,010	7,902	-36	55,104	134,859
Export coal value...	4,783	5,556	-13	42,952	99,627
Do. quantity tons...	4,021	1,700	+136	24,661	24,932
Export iron, steel...	5,860	10,692	-45	63,772	128,907
Export machinery...	5,800	8,060	-27	74,680	63,432
Tonnage entered ...	2,906	2,925	-	37,112	36,492
" cleared ...	3,919	2,616	+49	36,395	36,725

## INDEX NUMBERS

United Kingdom—Whole-	Jan.,	Dec.,	Dec.,	July	
sale ( <i>Economist</i> ).	1922.	1921.	1920.	1914	
Cereals and Meat .....	907½	921½	1,344	579	
Other Food Products .....	654½	636	805	352	
Textiles .....	1,066½	1,106	1,284	616½	
Minerals .....	730	762	1,216	464½	
Miscellaneous .....	925½	931½	1,275	553	
Total .....	4,284	4,357	5,924	2,565	
Retail—(Ministry of	Dec.,	Nov.,	Oct.,	Dec.,	July.
Labour)—	1921.	1921.	1921.	1920.	1914.
Food only .....	185	195	200	278	100
All items .....	192	199	203	265	100
France—Retail .....	Dec.,	Nov.,	Oct.,	Dec.,	July,
( <i>Paris</i> )	1921.	1921.	1921.	1920.	1914.
Food, Fuel, Lighting	323	326	331	470	100

Germany—Wholesale	Dec., 1921.	Nov., 1921.	Oct., 1921.	Dec., 1920.	Monthly average 1913.
(Frankfurter Zeitung)					
All Commodities .....	320	303	249	153	9.23
United States—Wholesale	Jan. 1, 1922.	Dec. 1, 1921.	Dec. 1, 1920.	Aug. 1, 1914.	
(Bradstreet's)					
	\$	\$	\$		
All commodities.	11.3725	11.3127	13.6263	8.7087	

## FREIGHTS

From Cardiff to	Feb. 16, 1922.	Feb. 9, 1922.	Feb. 16, 1921.
West Italy (coal)	13/3	13/3	18/9
Marseilles	12/9	13/0	17/0
Port Said	15/0	15/6	17/6
Bombay	23/0	22/6	21/6
Islands	10/6	10/6	14/0
B. Aires	13/6	13/6	21/6
From			
Australia (wheat)	52/6	50/0	62/6
B. Aires (grain)	30/0	30/0	35/0
San Lorenzo	32/6	32/6	37/6
N. Pacific (wheat)	nominal.	nominal.	70/0
N. America (grain)	4/0	4/0	5/0
Bombay (general)	21/0	21/0	25/0
Chili (nitrate)	nominal.	nominal.	36/3
Alexandria (cotton-seed)	10/0	10/0	15/0
Danube (grain)	nominal.	nominal.	32/6

## HOME RAILWAY TRAFFICS

	Last week.	Previous week.	Total Receipts.
Caledonian	157,600	145,200	682,300
Glasgow & S.W.	61,800	55,900	277,900
Great Central	204,300	175,800	1,008,000
Great Eastern	191,400	192,100	1,146,600
Great Northern	225,800	220,000	1,312,500
G.N. of Scotland	17,440	16,800	95,540
Great Western	493,000	492,000	2,999,000
Highland	19,367	19,584	110,806
Hull & Barnsley	30,327	35,512	172,257
L. & N.W.	722,000	743,000	4,304,000
L. & S.W.	154,200	155,800	934,900
Metropolitan	35,954	36,461	222,181
Midland G.W.	24,102	28,413	117,517
Midland	484,000	495,000	2,813,000
North British	180,500	167,900	788,000
North Eastern	316,100	312,500	1,472,300
North London	15,373	15,048	90,939
Taff Vale	35,668	32,614	172,158
Underground	204,433	204,824	1,225,654
Do. Traction group	44,092	45,051	264,847

## SECURITY PRICES

## BRIT. AND FOREIGN GOVT.

	Feb. 16, '22.	Feb. 9, '22.	Feb. 16, '21.
Consols	53½	52½	46½
War Loan	91½	90½	84½
Do.	88	87½	78½
Do.	95	93½	85½
Do.	98½	97½	96½
Funding	84½	79½	70½
Victory	84½	84	77
Local Loans	60½	58½	53
Conversion	72½	71½	—
Bank of England	202	195	174½
India	57½	56½	56½
Argentina (86)	97½	97	88½
Belgian	62½	62	55½
Brazil 1914	64½	65½	56½
Chilian 1886	73	74	68½
Chinese	89	87½	83
French	32	33	35½
German	3	3½	6½
Italian	22½	22½	20
Japanese	100½	102½	104½
Russian	14	13	11

## RAILWAYS.

Great Central Pref.	9½	11½	8
Great Eastern	30	30½	25½
Great Northern Pref.	52	50½	43
Great Western	80½	79½	67
Lond. Brighton Def.	45½	43½	41
Lond. Chatham	6½	7½	5½
L. & N.W.	77½	76½	69½
L. & S.W. Def.	22	23	18
Metropolitan	32	30	20½
Do. District	24½	24½	15
Midland Def.	52½	52½	41½
North Brit. Def.	10½	10½	10½
North Eastern	82½	82½	71½
South Eastern Def.	26½	26½	21
Underground "A"	5/0	5/3	5/9
Antofagasta	44½	45	55½
B.A. Gt. Southern	62½	59½	58½
Do. Pacific	39	39	38½
Canadian Pacific	149	144	149
Central Argentine	53½	53	54½
Entre Rios	17	18	19
Grand Trunk	1½	1½	4½
Do. 3rd. Pref.	4	4	12½
Leopoldina	23	24	24½
San Paulo	112	111	127
United of Havana	54	51	64½

## INDUSTRIALS, ETC.

Anglo-Persian 2nd Pref.	23/9	24/0	—
Armstrongs	13/6	14/0	15/6
Brit.-Amer. Tobacco	61/0	61/0	68/9
Burmah Oil	5½	5½	6½
Coats	51/9	52/0	47/6
Courtaulds	36/6	36/3	33/3
Cunard	17/0	17/3	19/0
Dorman Long	15/0	15/0	17/6
Dunlop	5/10½	6/0	10/9
Fine Spinners	33/3	32/0	38/9
Hudsons Bay	6	5½	5½
Imp. Tobacco	52/0	51/6	49/9
Listers	17/4½	18/0	16/6
Marconi	1½	1 23/32	1½
Mexican Eagle	4½	3 25/32	5½
P. & O. Def.	285	275	320
Royal Mail	83	83	97
Shell	4½	4 13/32	5½
Vickers	8/0	8/0	11/6



## THE TRADE FACILITIES ACT

It will be remembered that the Trade Facilities Act embodies the most important of the constructive proposals contained in the Government programme for stimulating industry. According to its provisions, the Treasury, after consultation with the Advisory Committee, is empowered to guarantee the principal and/or interest of loans (up to a total of £25 millions), the proceeds of which are to be spent in such a manner as to promote employment in the United Kingdom. The loans to be guaranteed must be raised to finance capital undertakings, and, provided that the expenditure of the proceeds will give employment to this country, these undertakings may be carried out in any part of the United Kingdom, the Overseas Dominions, or any Foreign Country.

The Committee has now been at work for about ten weeks, during which time it has examined over five hundred proposals and has sat at least three days a week, and oftener as the cases required. The Committee's task has not been an easy one. It has throughout acted on the principle that the object of the Act was not to encourage schemes which even in normal times would have found difficulty in procuring the necessary finance but to give the Government guarantee to sound undertakings possessing reasonable security, which wish to proceed with capital works and are unable to do so owing to the difficulty at the present time of raising money. Any other policy would probably involve the Government in heavy losses.

Acting on this principle the Committee has had to steer a line between applications from Companies who were in such a strong financial position that they could raise the necessary money on their own credit without a Government guarantee, and on the other hand those Companies which were in so weak a financial position as to involve an excessive risk. Apart from this, as everyone with business experience will recognize, when once a proposition has been selected for serious consideration, the whole matter has to be studied very thoroughly and lengthy negotiations have to be gone through before all the material conditions are agreed. The Committee has made its aim in every case to obtain for the Government a good commercial security, and this has not always been forthcoming. In many cases necessary formalities, such as the obtaining of the requisite borrowing powers by the applicants, have involved considerable delay.

Further, as regards applications from sound undertakings, the difficulty in many cases is not so much in raising the money on reasonable terms as in carrying out the construction work at the present high level of prices for a figure which will show a reasonable return on the capital invested. In such cases what has really been required by the applicant has not been so much a Government guarantee as a Government subsidy which the Committee have no power to recommend.

In spite of these difficulties, however, the Committee has made the following progress:—

(1) Amount for which guarantees have been passed ... ..	£ 2,100,000
(2) Amount of applications as regards which the Committee is prepared to recommend a guarantee after having examined the propositions with great care; but in respect of which there are technical, parliamentary or other difficulties which the applicants have not in every case surmounted ... ..	14,000,000
(3) Other serious applications as to which the Committee have stated generally the terms on which they could be prepared to recommend a guarantee ... ..	10,000,000
(4) Further serious propositions still under discussion (chiefly Foreign Government loans) ... ..	7,500,000

## Foreign News

**France.** The Paris banking community is not likely to retain a pleasant remembrance of the past year, which in many respects has brought disappointment. Not less than three more or less important financial institutions—not to speak of the small fry—had to acknowledge in 1921 their inability to meet their commitments. One of them has passed since into the hands of the Official Receiver; another appears to have secured fresh support, and the third, and the most important of the three—the Banque Industrielle de Chine—is likely to be reorganised under the auspices of the French Government, the banking syndicate which had decided to intervene some months ago having signified its unwillingness to proceed further with this attempt. According to a statement made a few days ago by the French Minister of Finance, the bank's present liabilities exceed 900 million francs. To pay off certain urgent debts, to repay 50 per cent. of the deposits and current account creditors, and to retain a working fund, it is proposed to raise a Chinese loan of 320 million francs secured on the balance of the "Boxer" indemnity annuities, and to call up the unpaid part of the share capital. The creditors are to be given, for the balance of 50 per cent., scrip repayable at par and which is to participate in the future profits to the extent of 80 per cent. This would leave 300 million francs on the wrong side, but against figure assets nominally estimated at 1,070½ million francs, which are to a great extent of doubtful value. The corner stone of this scheme is the Chinese loan proposal, which entails France's insistence on the fulfilment of an obligation on the part of China, through which the other co-interested Powers have already drawn the pen. China, which had assisted in the constitution of the Banque Industrielle, appears to be willing to co-operate in the salvage operation, particularly as her nationals are interested in the future of the banks, whose debts to Chinese depositors are estimated at 310 million francs, or at 10 million francs less than the amount of the projected loan. Unfortunately, the current banking year has started under anything but favourable auspices. A good deal of nervousness seems to prevail amongst the customers of the banks, which, according to the official communiqué issued by the French Government, is unjustified. The uneasiness caused in France by the uncertainties of the international situation is evidently being turned to account by shady elements, such as blackmailers and political agitators, but after the events of the last year, and in view of more recent developments, it is difficult to forget that there is no smoke without fire. No doubt, the big French banks are sound, but the number of minor institutions has increased rapidly in recent years, and many of them are banks only in name. Unfortunately, in the midst of this alarm an old-established private banking house of good standing has stopped payment. This firm was established in 1850 under the style of Comptoir des Ardennes, and adopted later on the name of Claude Lafontaine Prévost & Cie. The catastrophe appears to have been caused by the withdrawal of deposits due to the knowledge of the unfavourable issue of a lawsuit for several millions brought against the firm by a Paris institution. Though it appears that the amount due had been forthcoming within a few days, this incident had a very damaging effect, particularly as the bank in question had thought it fit to take the precaution of attaching balances held on behalf of the firm by other banks.

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